



January 26, 2016

HOUSE BILL No. 1331

DIGEST OF HB 1331 (Updated January 25, 2016 11:36 am - DI 123)

Citations Affected: IC 30-2.

Synopsis: Management of institutional funds. Provides that a chapter in the Indiana Code may be cited as the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Makes the following changes to the UPMIFA: (1) Allows a donor to give an institution prior consent for release or modification of a restriction or charitable purpose in a gift instrument. (2) Allows an institution to release or modify a restriction in a fund established more than 20 years ago without court approval, if the value of an institutional fund is less than \$250,000. (Under current law, the institutional fund must be less than \$25,000.)

Effective: July 1, 2016.

Smith M

January 12, 2016, read first time and referred to Committee on Judiciary.
January 25, 2016, reported — Do Pass.

HB 1331—LS 6824/DI 87



January 26, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1331

A BILL FOR AN ACT to amend the Indiana Code concerning trusts and fiduciaries.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 30-2-12-0.4 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]: **Sec. 0.4. This chapter may be cited as the Uniform**
4 **Prudent Management of Institutional Funds Act.**
5 SECTION 2. IC 30-2-12-13, AS AMENDED BY P.L.226-2007,
6 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2016]: Sec. 13. (a) With the consent of the donor in a record,
8 an institution may modify or release, in whole or in part, a restriction
9 in a gift instrument on the management, investment, and purpose of an
10 institutional fund. **A donor may give prior consent to an institution**
11 **for release or modification of a restriction or a charitable purpose**
12 **in a gift instrument that also includes a restriction or stated**
13 **charitable purpose subject to this section.**
14 (b) A release under this section may not allow an institutional fund
15 to be used for purposes other than the charitable purposes of the
16 institution affected.
17 (c) An institution may petition a court to modify, in a manner

HB 1331—LS 6824/DI 87



1 consistent with the donor's intentions to the extent practicable, a
 2 restriction in a gift instrument concerning the management or
 3 investment of an institutional fund if:

- 4 (1) the restriction is impracticable or wasteful;
 5 (2) the restriction impairs the management or investment of the
 6 fund; or
 7 (3) due to unanticipated circumstances, the modification will
 8 further the purposes of the institutional fund.

9 An institution shall notify the attorney general of a petition under this
 10 subsection. A court shall provide the attorney general an opportunity
 11 to be heard on the petition.

12 (d) An institution may petition a court to modify, in a manner
 13 consistent with the gift instrument, the charitable purpose of a fund or
 14 a restriction on the use of a fund if the charitable purpose or use
 15 becomes unlawful, impracticable, impossible, or wasteful. An
 16 institution shall notify the attorney general of a petition under this
 17 subsection. A court shall provide the attorney general an opportunity
 18 to be heard on the petition.

19 (e) If an institution determines that a restriction in a gift instrument
 20 on the management, investment, or purpose of an institutional fund is
 21 unlawful, impracticable, impossible, or wasteful, the institution shall
 22 notify the attorney general. Not more than sixty (60) days after
 23 providing notice under this subsection, the institution may release or
 24 modify all or part of the restriction if:

- 25 (1) the value of the institutional fund subject to the restriction is
 26 less than ~~twenty-five~~ **two hundred fifty** thousand dollars
 27 ~~(\$25,000);~~ **(\$250,000);**
 28 (2) the institutional fund was established more than twenty (20)
 29 years earlier; and
 30 (3) the institution uses the institutional fund in a manner
 31 consistent with the charitable purposes expressed in the gift
 32 instrument.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1331, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1331 as introduced.)

STEUERWALD

Committee Vote: Yeas 12, Nays 0

HB 1331—LS 6824/DI 87

